

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:

Chapter 11
Case No. 16-22321 (RDD)

KIRWAN OFFICES S.A.R.L.

Debtor.
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DECLARATION OF STEPHEN LYNCH

Stephen Lynch declares the following under penalty of perjury:

1. This declaration is submitted in support of the Motion as a supplement to my declaration to this Court of 6 April 2016 and in reply to the Objection and Memorandum (“Objection”) of the Petitioning Creditors, Lapidem Ltd. (“Lapidem”) and Mascini Holdings Limited (“Mascini”, together with Lapidem – the “Financing Shareholders”) (“Objection”) and the Declaration of Mr. Deitz of 3 May 2016.

2. In this declaration I will provide additional information and evidence regarding the background in which the Shareholders Agreement (“SHA”) between Lapidem, its parent VR Global Partners LP (“VR Global”),¹ Mascini, its parent Renaissance Holdings Management Limited (“Renaissance Holdings”), Kirwan Offices S.a.r.l. (“Kirwan”) and myself was negotiated and our on-going Dispute(s),² showing that contrary to the Objection and Mr. Deitz’s declaration:

- (a) this is a two-party Dispute between the shareholders of Kirwan;
- (b) the Financing Shareholders’ capital contributions to Kirwan were disguised as loans solely for tax purposes;

¹ VR Capital Group is the indirect 100% owner of of the general partner of VR Global Partners. They and the Financing Shareholders are all controlled by Richard Deitz.

² The SHA defines “Dispute” as “any dispute, controversy or claim between the Parties” arising out of or in connection with the SHA and provides for resolution of Dispute(s) by arbitration under the Rules of the London Court of International Arbitration.

REDACTED

FULL DOCUMENT SUBJECT TO SEAL MOTION

122. What is true for Mr. Deitz is even more so for me. It is only through great expense and effort nearly beyond my means that I can be represented in New York against this deep-pocketed and abusive Cayman Islands hedge fund.

123. This summer I have limited ability to exit Russia as I am awaiting new travel documents (related to renewal of my Russian residency). And I have no plans to travel to the U.S. this year.

124. The fake bankruptcy is the latest manifestation of Mr. Deitz's aggressive bullying and verbal abuse and often repeated attempts and threats to 'crush' me or the like. He is doing this because he wants to override my minority rights and sell or dispose of Kirwan's indirect interest in Yukos Finance on terms he alone will negotiate and he alone will agree to. And he wants to do this without compensating me for my rights in the SHA nor for nearly a decade of work and unpaid expenses.

125. Mr. Deitz is trying through this court to whitewash and legitimize years of minority abuse. He even hopes in this bankruptcy action for a 'get out of jail free card', by seeking, according to his counsel (Objection ¶ 30), "appropriate orders and injunctions barring Mr. Lynch and all other persons from pursuing any litigation ... on account of any matter connected to the litigation and, or Kirwan." This is because he and his companies have conducted serial contractual violations and perhaps worse, causing me material damage.

126. For the foregoing reasons it is respectfully requested that this Court grant this Motion in its entirety and award me such other and further relief as this Court deems equitable and proper.

Dated: June 6, 2016, Moscow, Russia



Stephen Lynch